

Idaho Public Utilities Commission
Office of the Secretary
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Boise, Idaho

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY FOR A)
CERTIFICATE OF PUBLIC CONVENIENCE)
AND NECESSITY FOR THE RATE BASING)
OF THE MILNER HYDROELECTRIC PROJECT))
OR IN THE ALTERNATIVE)
A DETERMINATION OF EXEMPT STATUS)
FOR THE MILNER HYDROELECTRIC)
PROJECT)
_____)

CASE NO. IPC-E-90-8

IDAHO POWER COMPANY

DIRECT TESTIMONY

OF

J. LAMONT KEEN

1 Q. Please state your name, business address and
2 present occupation.

3 A. My name is J. LaMont Keen. My business address is
4 1220 Idaho Street, Boise, Idaho. I am employed as
5 Controller at Idaho Power Company.

6 Q. What is your educational background.

7 A. I graduated in 1974 from the College of Idaho in
8 Caldwell, Idaho receiving a Bachelor of Business
9 Administration Degree in Accounting. I have also
10 attended many utility management training programs,
11 including the Stone & Webster Utility Management
12 Development Program and the University of Idaho
13 Public Utilities Executive's Course where I now
14 serve on the Advisory Committee.

15 Q. Please outline your business experience.

16 A. In 1974, I was employed by Idaho Power Company and
17 assigned to the Property Accounting Department. In
18 1975, I transferred to the Corporate Accounting and
19 Budgets Department where I worked in the Operating
20 Budgets section. In 1976, I transferred into the
21 Financial Services section. In 1980, I was
22 promoted to Supervisor of Financial Services and in
23 February, 1983, I was promoted to Manager of
24 Financial Services. In March, 1984, I was promoted
25 to Manager of Financial and Reporting Services. In

1 July, 1988, I was promoted to my present position
2 as Controller.

3 Q. What are your duties as Controller at Idaho Power
4 Company?

5 A. I am responsible for the corporate books and
6 records, regulatory and financial reporting,
7 budgeting and financial forecasting, and financial
8 analyses as requested by management.

9 Q. What is the purpose of your testimony in this
10 proceeding?

11 A. The purpose of my testimony is to explain the
12 Milner financial agreement between Idaho Power and
13 the Canal Companies and to provide the Commission
14 with a range for the projected 50 year levelized
15 cost per kWh for the Milner Project.

16 Q. Please state what the financial arrangements are
17 between Idaho Power and the Canal Companies.

18 A. The financial agreements between Idaho Power and
19 the Canal Companies are set forth in Exhibit 2.
20 Idaho Power has agreed to provide interim financing
21 for the rehabilitation of the Canal Companies' dam
22 and the Canal Companies have agreed to repay this
23 initial loan including interest from funds obtained
24 elsewhere at or near the time that the Project and
25 the dam are completed. Idaho Power has agreed to

1 guaranty the payment of complete debt service on
2 the permanent loan for the Dam to facilitate the
3 long term financing. Idaho Power will also make
4 annual royalty payments to the Canal Companies, the
5 present value of which equals the sum of \$5,638,000
6 plus 1/2 of the total cost of repairing the dam,
7 over the term of the FERC License. Additionally,
8 the Canal Companies will receive an incentive
9 royalty whenever the annual Project generation is
10 in excess of an agreed upon base of 142,000 MWh.
11 The royalty and incentive royalty payments are in
12 consideration of water made available by the Canal
13 Companies to the Power Plant.

14 The Canal Companies are obligated to pay the
15 debt service on the permanent loan as well as a
16 portion of the capitalized mitigation costs, annual
17 mitigation expenses and mitigation water costs and
18 to repay certain prelicense advances made by Idaho
19 Power. The royalty and incentive royalty payments
20 to the Canal Companies will first be applied to
21 payment of these costs. Any royalty amount
22 remaining after payment of these costs is available
23 to the Canal Companies and any costs in excess of
24 the royalty payments will be paid by the Canal
25 Companies to Idaho Power.

